WHAT THE OLYMPICS CAN TEACH US ABOUT RETIREMENT PLANNING

If you had the opportunity to watch the Summer Olympic Games in Rio de Janeiro, you saw the incredible feats accomplished by the athletes and how an intense drive and steadfast dedication towards their goal helped Olympians push the boundaries of athletic achievement. The games are over, but we find some similarities between the training athletes undergo for their events and the planning we need to do for retirement. The key traits of focus and determination that Olympic athletes embody are just the ones needed to achieve a retirement worthy of a gold medal.

Here are some important “training” tips for successful retirement planning:

- **Start early.** Top athletes often start training for their sport at an early age. When preparing for retirement, the goal is to start early and save often. It takes long-term dedication and unwavering focus. While the future can seem distant, the sooner fiscal control is exercised, the more confident you can be that your retirement years will truly be golden, thanks to the rewards of compounding growth.

- **Commit to the goal.** Once you’ve committed to a retirement saving plan, stay the course. Olympic athletes are deeply focused on performance, spending years-upon-years of training in hopes of earning a chance to compete with the world’s best athletes. They may encounter bumps along the way, such as injuries or life events that may detour them temporarily but they find a way to reach their goal. When it comes to saving for retirement, there are no short cuts; you have to stay the course. You may endure financial hardships that could derail your plans, however keeping your focus on the long-term is key.

- **Push hard when it counts.** You may have come off the block a little late when it comes to saving for retirement, however look at this as an opportunity to push harder to achieve a fruitful retirement. Some of the most impressive moments in the Olympics are those that catch up to the pack in Olympic track and field events! The same can happen in retirement planning! Just hone your inner Usain Bolt and with hard work, you can catch up. Those with a shorter timeline to retirement may have to work harder to ensure their savings will be ready when they cross the finish line at work and step into retirement.

- **Sacrifice where needed.** Olympians sacrifice many comforts to achieve their dreams. Many don’t have financial support, and must take jobs to live and fund their training. Consider yourself an Olympic hopeful when it comes to retirement planning and sacrifice where needed to get more money into savings. Giving up an expensive morning coffee routine or limiting family dinners out could help finance a more comfortable retirement. Worst-case scenario, you consider taking a second job. In the end, it’s worth the sacrifice.

Take these training tips to heart and you are likely to be standing on that podium once you reach the finish line of your career and embark on your next journey into retirement. If you have questions or concerns about retirement saving, please contact the office.

LONG-TERM CARE INSURANCE: SMART MOVE OR WASTE OF MONEY?

As America's Baby Boomers get older, who will take care of them when they can no longer take care of themselves? If you are part of this group, you may have thought about long-term care insurance. When it comes to financial planning for retirement, many consumers treat long-term care insurance as an all-or-nothing approach—either they front the money to purchase a policy for expensive long-term care needs, or they go without it as the premium costs may not be manageable for the average American family.

Long-term care insurance covers health care needs, such as nursing home, assisted living or in-home care, that are generally not covered by medical insurance, Medicare or Medicaid. Not all long-term care insurance policies cover all services, nor do they all pay the same for similar services. Before purchasing long-term care insurance or deciding to go without, consider these factors to determine if it is right for you:

- **You can't cover the costs of long-term care alone.** First, Medicare does not cover long-term custodial care. Medicaid will kick in only if you have drained your assets and met other strict criteria to receive the coverage. If you are on the fence about long-term care insurance, take a look at the numbers below to see what your current and future retirement budget could handle:

    - The median annual cost of a private room in a nursing home hovers around $91,000, and the median annual cost of a home health assistant is over $45,000.[1]
    - When it comes to purchasing long-term care insurance, a married couple age 60 would pay $2,170 per year for a total of $328,000 in coverage.[2]
    - The costs can be considered high either way—it comes down to what you can afford now and what you believe you can afford in your later years.

- **You want to be covered for eventual permanent disability.** You can begin receiving coverage if your long-term care insurer deems you permanently disabled—this is qualified as: being unable to go to the restroom without assistance, unable to eat or dress yourself, just to name a few. However, if you fall down and break your hip and require care for an extended period of time, it's important to know that long-term care insurance may not foot the bill. That's because this kind of insurance has a coverage limit of a certain number of years or a specific dollar amount—and many may not kick in until after 90 days of permanent disability.

- **You are a woman.** Studies prove that women are living longer than men. In that case, it often makes sense for women to purchase long-term care insurance if they are single, or find themselves in financial hardship in their later years should their significant other pass away.

[1] http://www.marketwatch.com/story/can-you-afford-5000-a-year-for-long-term-care-insurance-2015-06-25
[2] http://www.aaltci.org/news/long-term-care-insurance-association-news/average-costs-for-long-term-care-insurance-rise-8-6-percent

- **You want to protect your heirs.** If you have children, you do not want to add the potential cost of your future care to their expenses. This is when purchasing long-term care insurance would make sense. Today, you could find hybrid long-term and life insurance plans that may be more affordable, with monthly or lump sum payments and steady premiums. If you don't use the policy, your heirs get a payment when you pass.

If you decide to apply for long-term care insurance, please know that age and health are two important factors insurance companies consider when selling policies. Contact the office if you'd like to discuss.

These are the views of Cassie Dono, a freelance financial writer and news commentator, not the named Representative or the Broker/Dealer, and should not be construed as investment advice or a recommendation. Neither the named Representative nor Broker/Dealer gives tax or legal advice. All information is believed to be from reliable sources; however, we make no representation as to its completeness or accuracy. The publisher is not engaged in rendering legal, accounting or other professional services. If expert assistance is needed in these areas, the reader is advised to engage the services of a competent professional. Please consult your Financial Advisor prior to making any investment decisions.